



Session: Small Business Practices

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Small Business Programs

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Agenda

- Legislative Background
- The Big Picture
- Market Research
- Acquisition Strategies
- Subcontracting
- Outreach



LEGISLATIVE BACKGROUND

1932 RECONSTRUCTION FINANCE ACT/CORP

1940 SMALLER WAR PLANTS ACT/CORP

1947 ARMED SERVICES PROCUREMENT ACT

1949 CREATION OF DEPARTMENT OF DEFENSE

1950 DEFENSE PRODUCTION ACT

1951 SMALL DEFENSE PLANTS ADMINISTRATION

1953 SBA CREATED IN DEPT OF COMMERCE



LEGISLATIVE BACKGROUND

Public Law ^(CONT'D) 95-507 (1978)

- Requires Agencies to Establish SB Goal
- Requires Explanation to Congress When Goals are Not Met
- Requires Establishment of Office of Small Business Programs
 - Director Appointed By Agency Head
 - Director Reports to Head of Agency or Deputy



LEGISLATIVE BACKGROUND

Public Law ^(CONT'D) 99-661 (1987)

- Requires Agencies to Establish 5% SDB and HBCU/MI Goal
- Provides for Less than Full and Open Competition

Public Law 103-355 (1994)

- Requires Agency to Establish 5% WOSB Goals



LEGISLATIVE BACKGROUND

Public Law 105-135 (CONT'D) (1997)

- **Established HUBZone Program and Requires Agencies to Establish Goal not Less than 3% in FY 2003 and Each Year Thereafter**

Public Law 106-50 (1999)

- **Requires Agency to Establish 3% SDVOSB Goal**



The Big Picture

- Small Business Program Implementation
 - Responsibility lays with the Head of the Agency
 - Management and Oversight by Director, OSBP
 - Implementation by HCA/Appointing Authority
 - Small Business Associate Directors/Specialists facilitate



The Big Picture

- Small Business Program Implementation
- Acquisition Advocacy by Small Business Specialist-
- Represent the appointing authority
- Key member of acquisition team
- Participate early in acquisition planning



The Big Picture

▪ Small Business Program Implementation

- SB Program Management -
 - Integrate National and Agency objectives and acquisition advocacy
 - Develop strategic plans with goals, objectives, and performance measures
 - Develop and evaluate performance against small business targets
 - Analyze expenditures to identify areas



Market Research

- Strategic and Tactical Market Research
- Analysis of contract awards to identify areas to target for strategic planning (<http://prmoris.saalt.army.mil>)
- Tactical research to identify firms for a specific requirement (FAR Part 10)



Market Research

- Requires efforts to identify small businesses
- Sources of data include federal, state and local government sources
- Acquisition history of same or similar item or service
- Conferences and Industry Days
- Sources Sought Synopsis
- Customer/Requiring Activity



Market Research

- Organize and analyze data collected
- Set aside order of precedence
 - 8a Program [FAR 19.800(3)]
 - Hub Zone 8a receives first priority
 - HUB Zone SB or Service Disabled Veteran-Owned SB
 - Small Business
 - Woman-Owned SB currently no ¹²



Market Research

- Consolidation of requirements
➢ \$5 million
 - DFARS 207.1703
 - Market Research
 - Analysis of Alternatives
 - Benefits Analysis
 - Senior Procurement Executive Approval
 - AFARS 5107.170 approval authority delegated to HCA up¹³



Market Research

- Consolidation and Contract Bundling
- Small Business Reauthorization Act of 1997 defines bundling
 - FAR 2.101(4)
 - FAR 7.107
 - DFARS 207.170-3(a)(3)
 - AFARS 5107.70
- DOD Benefit Analysis Guidebook

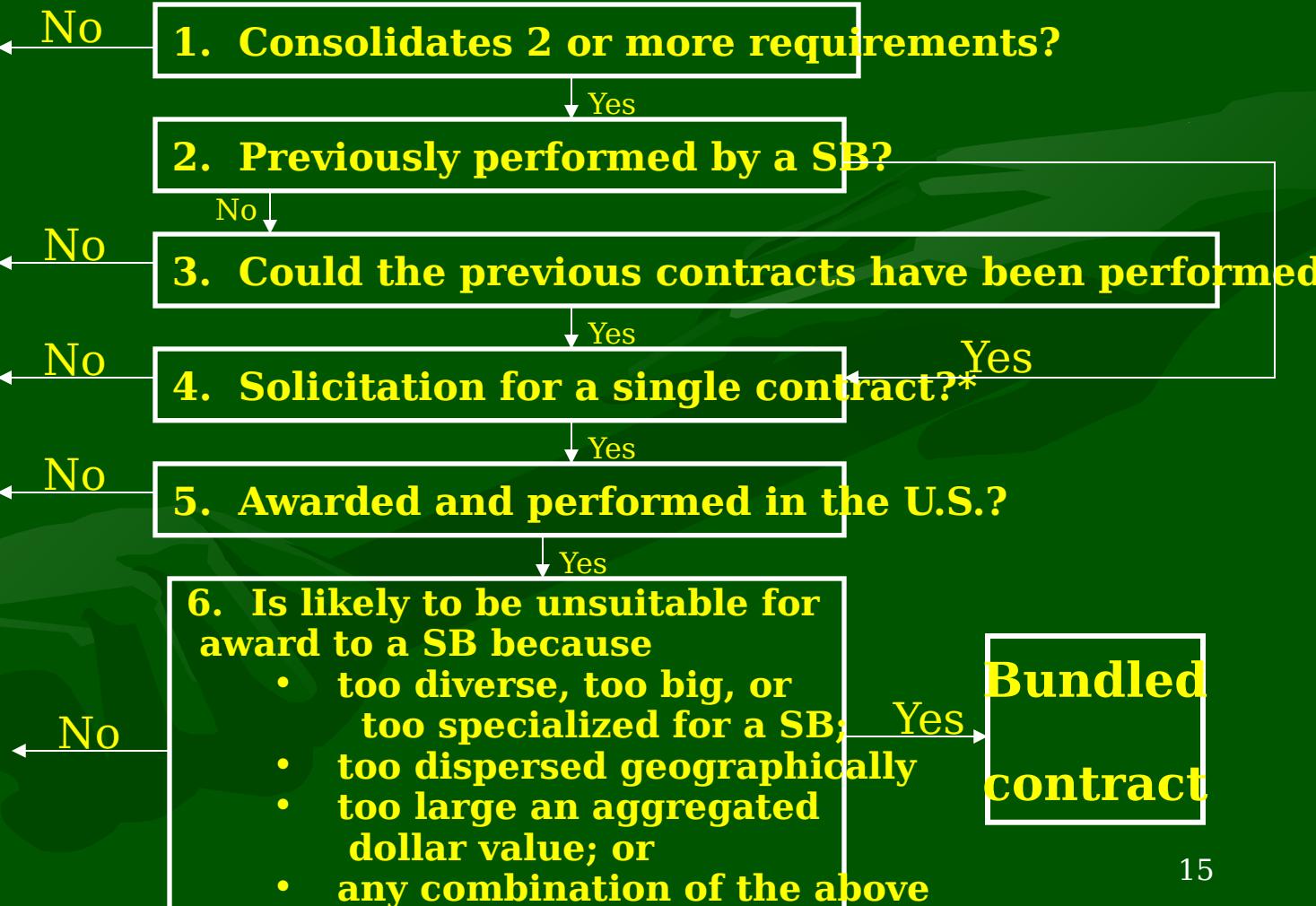


MARKET

RESEARCH

Figure 1-1. Decision Flow Chart for Determining Whether a Contract Is Bundled

Not
A
Bundled
contract





Market Research

- Document in a Market Research Report:
 - General Requirements Information (e.g., description of requirement, NAICS, size standard, background etc.)
 - Discussion of best commercial practices
 - Methods utilized to locate small business concerns (e.g.



Market Research

- Document in a Market Research Report:
 - Discussion of Consolidation and Bundling as appropriate
 - Any legislative issues associated with the requirement
 - Analysis of acquisition alternatives and the pros and cons of each



Acquisition Strategies

▪ SB Specialist Roles and Responsibilities

- Key member of acquisition team
- Participate in acquisition planning
- Provide advice on set aside programs
- Obtain comments from DCMA Small Business Specialist



Acquisition Strategies

- **SB Specialist Roles/Responsibilities (cont.)**
 - **Provide advice in source selection planning consistent with FAR 15.304 regarding Small Business Participation Proposal Evaluation factor**
 - **SB participation may be based on total contract value**
 - **Difference between FAR**



Army Services

Strategy Panel

- Threshold per AFARS 5137.5-5 currently \$500 million including options
- 2006 NDAA lowers threshold to \$250 million including options
- DOD has already drafted policy



Army Services Small Business Strategy Panel:

- Budgetary consolidation
- Market research
- Set-asides vs. reservations
- Limitation on Subcontracting
- Subcontracting plan vs. small business participation proposal



Subcontracting

- **SB Specialist:**

- **Conducts strategic and tactical market research in subcontracting**
- **Reviews subcontracting plans and provide advisory comments to the Contracting Officer**
- **Maintains relationship with DCMA**



Subcontracting

SB Specialist:

- Obtains comments from DCMA regarding subcontracting past performance and previous ratings on surveillance reviews
- Ensures compliance with DFARS and AFARS 19.7 requirement to include HBCU/MI participation in subcontracting plans



Outreach

- Closely related to market research
- Should be strategic and tactical
- Associate Director for Small Business/small business specialist require knowledge of:
 - Congressional Legislation & Acquisition rules
 - DOD Special Programs, e.g. Mentor-Protégé, SBIR, HBCU/MI
 - Sources of assistance, e.g. PTACs & SBDCs



HISTORICALLY BLACK COLLEGES AND

UNIVERSITIES AND

▪ 10 U.S.C. § 3333 (PL 99-661 Section 1207)

- Established HBCU/HMI Contracting Goal

- Provided for “Technical Assistance” (advice and guidance) and “Infrastructure Assistance” (enhancing R&D capacity)

▪ Executive Order 12876

- Goal for Awards (Contracts, Grants, & other Funding Instruments)
- Annual Plan for Institutional Strengthening



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DoD Policy Objective MINORITY INSTITUTIONS

- Maximize HBCU/M Participation

University Oriented Programs and Initiatives

- DFARS 226.370-3 Authorized Set-Asides, Outreach Efforts and Evaluation Preferences
- DFARS 226.370-4 and 5 established set-aside criteria and procedures

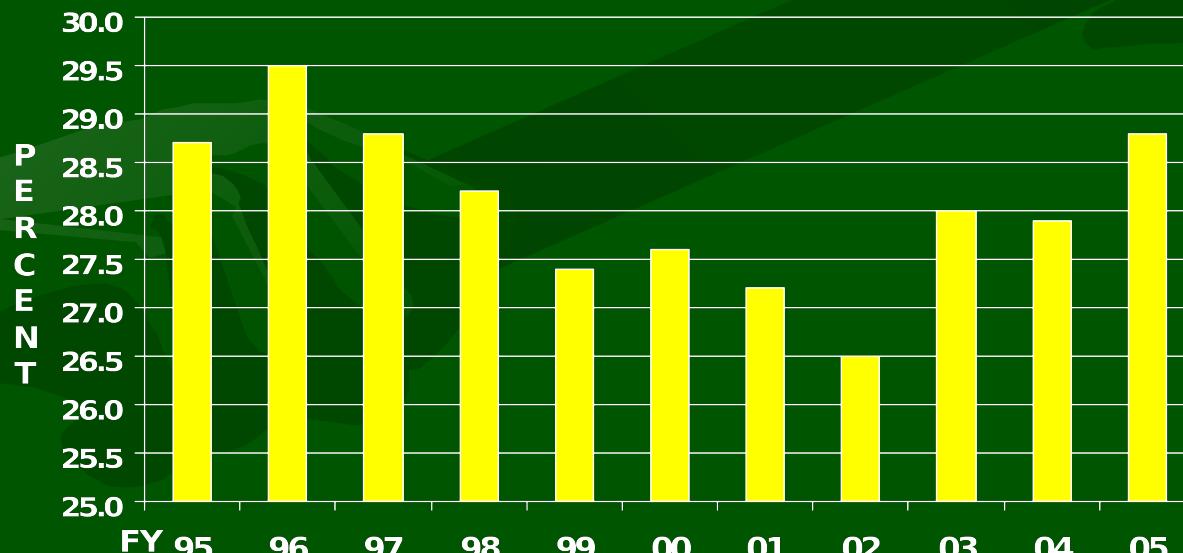
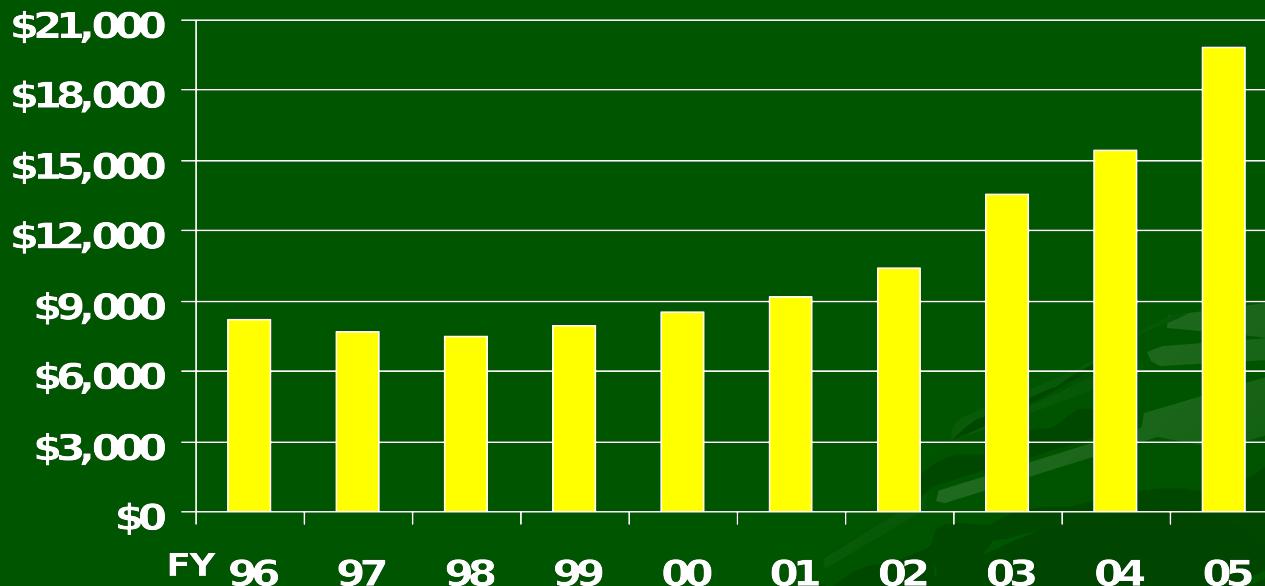


ARMY PRIME CONTRACT AWARDS FY05

	Total Dollars	Achieved	Army Target	Nat'l Goal
US Business	\$70,802			
Small Business	\$20,381	28.8%	27.0%	23.0%
Small Disadvantaged Business	\$ 6,658	9.4%	8.8%	5.0%
8(a)	\$ 3,483	4.9%		
Women-Owned SB	\$ 2,625	3.7%	4.1%	5.0%
HUBZone SB	\$ 2,226	3.1%	3.0%	3.0%
Service-Disabled Veteran-Owned SB	\$ 501	0.7%	0.9%	3.0%
Veteran-Owned SB	\$ 1,445	2.0%	n/a	n/a 27



ARMY SMALL BUSINESS PROGRAM HISTORY





ARMY SUBCONTRACTING AWARDS FY05

TOTAL
DOLLARS

ACHIEVED

TARGET

US Business	\$6,890		
Small Business	\$3,403	49.4%	49.9%
Small Disadvantaged Business	\$ 444	6.4%	7.7%
Women-Owned SB	\$ 487	7.1%	7.0%
HUBZone SB	\$ 240	3.5%	2.4%
Veteran-Owned SB	\$ 280	4.1%	
Service-Disabled Veteran-Owned SB	\$ 39	0.6%	0.5%



Small Business
is Big Business for
the Army



Questions

*Strengthening or
Nation's Military
through
Small Business*

